

SOUTHERN ENVIRONMENTAL LAW CENTER

Telephone 843-720-5270

463 KING STREET, SUITE B
CHARLESTON, SC 29403-7204

Facsimile 843-414-7039

December 10, 2018

Via Electronic Filing

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29210

RE: Comments in Support of SCSBA and Joint Applicants' Proposed Settlement Agreement in Consolidated Docket Nos. 2017-207-E, 2017-305-E, 2017-370-E

Dear Ms. Boyd:

Pursuant to Hearing Officer Directive 2018-183-H, the South Carolina Coastal Conservation League ("CCL") and the Southern Alliance for Clean Energy ("SACE") file these comments in support of the Proposed Settlement Agreement between the Joint Applicants and the South Carolina Solar Business Alliance. CCL and SACE believe that the Proposed Settlement is in the public interest and recommend that it be approved.

First, we agree with and support the Public Utility Regulatory Policies Act of 1978 and interconnection components of the Proposed Settlement. These components are critical to allow independent power producers (including solar providers) to compete fairly against SCE&G-owned resources. Allowing such competition will ultimately reduce ratepayer costs.

Second, we agree with and support the Integrated Resource Planning components of the Proposed Settlement. The Proposed Settlement improves South Carolina Electric & Gas's ("SCE&G") planning practices and moves them toward alignment with the

consensus recommendations adopted through the State Energy Plan Integrated Resource Planning subcommittee, including the recommendations for each utility to:

1. [A]nalyze multiple resource portfolios that consider a range of supply-side and demand-side resources including DSM and renewable energy (RE) resource options. . . .
2. [I]nclude, at minimum, alternative DSM and RE portfolios of at least one high and one low DSM and at least one high and one low RE portfolio and should contain a diverse mix of DSM and RE measures, and the associated cost assumptions used for each of the portfolios. . . .
3. [E]xpand its evaluation to establish a set of scenarios and/or sensitivities to analyze the robustness of each resource portfolio. The scenarios and/or sensitivities should reasonably capture the range of key variables affecting the utility's plan. . . . Scenarios and/or sensitivities should explore uncertainties in fuel prices and load growth. As appropriate, other uncertainties such as carbon and technology costs should also be explored.¹

These practices have long been recognized as essential to properly evaluate future energy resource options in the Integrated Resource Planning process.

Third and finally, we agree with and support the competitive, all-source solicitation process components of the Proposed Settlement, along with the recommended improvements offered by the Office of Regulatory Staff ("ORS"). An all-source process is critical to introduce competition into SCE&G's resource procurement process and has been used successfully in several other states.² Although the process set forth in the Proposed Settlement Agreement provides benefits to ratepayers and is an improvement on the status quo, ORS's recommendations will further improve the process. ORS proposed the following additions: that SCE&G must file its bid evaluation criteria *with the Commission for approval*; that the bid evaluation criteria must provide for consideration of

¹ www.energy.sc.gov/files/view/IRP%20Guidelines%20Consensus_LM2_0.pdf.

² See Binz Rebuttal Testimony p. 11 ("[R]igorous competition among suppliers will assure that the Commission can obtain the lowest cost, consistent with the needs of the utility and the state. This last feature is especially important today, when costs for renewable energy resources are falling fast. In Colorado, Xcel Energy routinely gets bids for renewable resources that total ten or fifteen times the capacity sought. As a result, those resources are obtained at rock-bottom prices.")

“all sources,” including, but not limited to, *energy efficiency, demand response*, renewable resources, and energy storage; and that the resource need and bid evaluation criteria ultimately used must be *substantially similar to those approved by the Commission*. ORS also does not specify that the solicitation process should apply only to new generating resource with a nameplate capacity of more than 75 megawatts, and does not include a sunset date after which SCE&G may petition the Commission to eliminate or modify the process.

ORS’s suggested modifications are consistent with the recommendations of CCL and SACE Witness Ronald Binz and with the practices in other states. The provision requiring submission of bid evaluation criteria to the Commission for approval provides the Commission with additional oversight and assures that the independent evaluator is impartial.³ The provision specifying that energy efficiency and demand side resources should be considered ensures that a mix of resources can be optimized over the procurement period, minimizing customer costs. Binz Direct at 25-28. Finally, the removal of the proposed 2023 sunset date guarantees that SCE&G uses the proposed solicitation process for its next major resource addition. The Company’s 2018 Integrated Resource Plan indicates that the Company proposes to add a 540 MW combined cycle unit in 2023. Allowing modification or cancellation of the solicitation process in 2023, prior to its first major year of implementation, would undermine the Settlement. At the very least, the Commission should require that the process be retained through 2028.

³ This approval would not require an extended process and has precedent in other states. *See, e.g.*, Georgia Rule 515-3-4-.04; Georgia Public Service Commission Docket Nos. 40161, 40162, Stipulation Exhibit A (June 3, 2016) (establishing a cost-benefit framework for evaluating resources).

For these reasons, we urge the Commission to approve the Proposed Settlement, and to adopt its terms as merger conditions, either as filed, or with the alterations included in the Office of Regulatory Staff's Proposed Order and Exhibit 1 (Merger Commitments and Conditions). Please contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "William C. Cleveland". The signature is fluid and cursive, with the first name "William" being the most prominent.

William C. Cleveland

**STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NOS. 2017-207-E, 2017-305-E, AND 2017-370-E**

In Re: Friends of the Earth and Sierra Club,)
Complainant / Petitioner v. South Carolina)
Electric & Gas Company,)
Defendant/Respondent)

In Re: Request of the South Carolina Office)
of Regulatory Staff for Rate Relief to)
SCE&G Rates Pursuant to S.C. Code Ann. §)
58-27-920)

In Re: Joint Application and Petition of)
South Carolina Electric & Gas Company and)
Dominion Energy, Incorporated for Review)
and Approval of a Proposed Business)
Combination between SCANA Corporation)
and Dominion Energy, Incorporated, as May)
Be Required, and for a Prudency)
Determination Regarding the Abandonment)
of the V.C. Summer Units 2 & 3 Project and)
Associated Customer Benefits and Cost)
Recovery Plan)

CERTIFICATE OF SERVICE

I certify that the following persons have been served with a copy of the foregoing
comments on the Proposed Settlement Agreement between the Joint Applicants and
South Carolina Solar Business Alliance for Consolidated Docket Nos. 2017-207-E, 2017-
305-E, 2017-370-E, by electronic mail, at the addresses set forth below:

Andrew Bateman
 Jeffrey M. Nelson
 Jenny R. Pittman
 Nanette S. Edwards
 Office of Regulatory Staff
 1401 Main Street, Suite 900
 Columbia, SC 29201
 abateman@regstaff.sc.gov
 jnelson@regstaff.sc.gov
 jpittman@regstaff.sc.gov
 nsedwar@regstaff.sc.gov

K. Chad Burgess.
 Matthew W. Gissendanner
 South Carolina Electric & Gas Company
 220 Operation Way – MC C222
 Cayce, SC 29033
 chad.burgess@scana.com
 matthew.gissendanner@scana.com

Robert Guild
 314 Pall Mall
 Columbia, SC 29201
 bguild@mindspring.com

William T. Dowdey
 William T. Dowdey
 811 Jefferson Street
 West Columbia, SC 29169
 wtdowdey@gmail.com

Lynn Teague
 3728 Wilmot Avenue
 Columbia, SC 29205
 803-556-9802
 TeagueLynn@gmail.com

Stephanie U. Eaton
 Spilman Thomas & Battle, PLLC
 110 Oakwood Drive, Suite 500
 Winston-Salem, NC 27103
 336-631-1062
 seaton@spilmanlaw.com

Mitchell Willoughby
 Willoughby & Hoefer, P.A.
 Post Office Box 8416
 Columbia, SC 29202
 803-252-3300
 mwilloughby@willoughbyhoefer.com

Lara B. Brandfass
 Spilman Thomas & Battle, PLLC
 300 Kanawha Blvd., East
 Charleston, SC 53501
 lbrandfass@spilmanlaw.com

J. David Black
 Nexsen Pruet, LLC
 Post Office Drawer 2426
 Columbia, SC 29202
 803-540-2072
 DBlack@nexsenpruet.com

Emily W. Medlyn
 U.S. Army Legal Services Agency -
 Regulatory Law
 9275 Gunston Road
 Fort Belvoir, VA 22060
 703-614-3918
 emily.w.medlyn.civ@mail.mil

Derrick Price Williamson
 Spilman Thomas & Battle, PLLC
 1100 Bent Creek Blvd., Suite 101
 Mechanicsburg, PA 17050
 717-795-2740
 dwilliamson@spilmanlaw.com

Belton T. Zeigler
 Womble Bond Dickinson (US) LLP
 1221 Main Street, Suite 1600
 Columbia, SC 29201
 803-454-7720
 belton.zeigler@wbd-us.com

Alexander G. Shissias
 The Shissias Law Firm, LLC
 1727 Hampton Street
 Columbia, SC 29201
 803-540-3090
 alex@shissiaslawfirm.com

Damon E. Xenopoulos
 Stone Mattheis Xenopoulos & Brew, P.C.
 1025 Thomas Jefferson Street, N.W.
 Eighth Floor, West Tower
 Washington, DC 20007
 DEX@smxblaw.com

Frank Knapp, Jr.
 118 East Selwood Lane
 Columbia, SC 29212
 803-765-2210
 fknapp@knappagency.com

James F. Walsh, Jr.
 1436 Amelia Street
 Orangeburg, SC 29116
 803-534-6061
 jfwwalsh@bellsouth.net

James N. Horwood
 Peter J. Hopkins
 Stephen C. Pearson
 Jessica R. Bell
 Spiegel & McDiarmid LLP
 1875 Eye Street, NW
 Suite 700
 Washington, DC 20006
 202-879-4000
 james.horwood@spiegelmc.com
 peter.hopkins@spiegelmc.com
 steve.pearson@spiegelmc.com
 jessica.bell@spiegelmc.com

Joseph K. Reid III
 Elaine S. Ryan
 Ellen T. Ruff
 Robert A. Muckenfuss
 McGuire Woods LLP
 201 North Tryon Street
 Suite 3000
 Charlotte, NC 28202
 704-343-2000
 jreid@mcguirewoods.com
 eryl@mcguirewoods.com
 eruff@mcguirewoods.com
 rmuckenfuss@mcguirewoods.com

Lisa S. Booth
 Tracey A. Huang
 Irene Scouras
 Dominion Energy Services, Inc.
 120 Tredegar Street, Riverside 2
 Richmond, VA 23233
 804-819-2288
 lisa.s.booth@dominionenergy.com
 tracey.a.huang@dominionenergy.com
 irene.scouras@dominionenergy.com

Robert E. Tyson, Jr.
 Sowell Gray Robinson Stepp & Laffitte,
 LLC
 Post Office Box 11449
 Columbia, SC 29201
 rtyson@sowellgray.com

Michael J. Anzelmo
 Chief of Staff and Legal Counsel to the
 Speaker
 Post Office Box 11867
 Columbia, SC 29211
 michaelanzelmo@schouse.gov

Frank R. Ellerbe, III
 Sowell Gray Robinson Stepp & Laffitte,
 LLC
 Post Office Box 11449
 Columbia, SC 29201
 803-227-1112
 fellerbe@sowellgray.com

John H. Tiencken, Jr.
 Christopher S. McDonald
 The Tiencken Law Firm, LLC
 234 Seven Farms Drive, Suite 114
 Charleston, SC 29492
 843-377-8415
 jtiencken@tienckenlaw.com
 cmcdonald@tienckenlaw.com

Michael N. Couick
 Christopher R. Koon
 The Electric Cooperatives of South
 Carolina, Inc.
 808 Knox Abbott Drive
 Cayce, SC 29033
 803-739-3034
 mike.couick@ecsc.org
 chris.koon@ecsc.org

Robert D. Cook, Solicitor General
 J. Emory Smith, Jr., Deputy Solicitor
 General
 Post Office Box 11549
 Columbia, SC 29211
 (803) 734-3680
 BCook@scag.gov
 ESmith@scag.gov

Susan B. Berkowitz
 South Carolina Appleseed Legal Justice
 Center
 Post Office Box 7187
 Columbia, SC 29202
 803-779-1113
 sberk@scjustice.org

John B. Coffman
 871 Tuxedo Blvd.
 Webster Groves, MO 63119
 573- 424-6779
 john@johncoffman.net

Richard L. Whitt
 Timothy F. Rogers
 Austin & Rogers, PA
 508 Hampton Street, Suite 300
 Columbia, SC 29201
 803-256-4000
 RLWhitt@AustinRogersPA.com
 tfrogers@austinrogerspa.com
 CASchurg@AustinRogersPA.com

Scott Elliott
 Elliott & Elliott, P.A.
 1508 Lady Street
 Columbia, SC 29201
 803-771-0555
 selliott@elliottlaw.us
 linda@elliottlaw.us

James R. Davis
 J. Davis Law Firm
 BB&T Plaza, Suite 211B
 234 Seven Farms Drive, MB #16
 Daniel Island, SC 29492
 843-642-8333
 jim@jdavispc.com

Michael T. Rose
 Mike Rose Law Firm
 406 Central Avenue
 Summerville, SC 29483
 843- 871-1821
 mike@mikeroselawfirm.com

W. Andrew Gowder, Jr.
 Austen & Gowder, LLC
 1629 Meeting Street, Suite A
 Charleston, SC 29405
 843-727-2229
 andy@austengowder.com

Dino Teppara
104 Egret Court
Lexington, SC 29072
Dino.Teppara@gmail.com

Allen Mattison Bogan
B. Rush Smith, III
Carmen Harper Thomas
William C. Hubbard
Nelson Mullins Riley & Scarborough LLP
1320 Main Street/17th Floor
Columbia, SC 29201
rush.smith@nelsonmullins.com
matt.bogan@nelsonmullins.com
carmen.thomas@nelsonmullins.com
william.hubbard@nelsonmullins.com

Weston Adams, III
Nelson Mullins Riley & Scarborough, LLP
Post Office Box 11070
Columbia, SC 29211
weston.adams@nelsonmullins.com

Camden N. Massingill
Matthew T. Richardson
Wallace K. Lightsey
Wyche Law Firm
801 Gervais Street, Suite B
Columbia, SC 29201
cmassingill@wyche.com
mrichardson@wyche.com
wlightsey@wyche.com

Adam Protheroe
P.O. Box 7187
Columbia, SC 29202
adam@scjustice.org

Kevin K. Bell
Sowell Gray Robinson Stepp & Laffitte,
LLC
Post Office Box 11449
Columbia, SC 29201
803-227-1112
kbell@robinsongray.com

This the 10th day of December, 2018.

s/ Rachel Pruzin